

ORIGIN/ACTION

DEPARTMENT OF STATE

AIRGRAM

EXCISE

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ARA	EUR	FE
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ARMY	CIA	NAVY
13	15	14
OSO	USIA	NSA
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A-6
NO.

SECRET

AIR POUCH

HANDLING INDICATOR

TO : Department of State

INFO : DHAHRAN, CHUSMTM, COMIDEASTFOR

DEPT PASS TO: See list of posts below

FROM : Amembassy JIDDA

DATE: July 4, 1963

SUBJECT: Joint Weeka No. 26

REF

COPY NO. 1

SERIES A

Table of Contents

POLITICAL/ECONOMIC

2. Joint USAF-RSAF Exercise Imminent
3. SAG Reaffirms No Supplies Going to Royalists

7. Faysal Gives OK to Roads Program
8. Work to be Resumed on Wadi Jizan Project
9. Special Budget Allocation

MILITARY

Negative

PSYCHOLOGICAL

1. U.S. Training Operation
2. "Forbidding Entrance of Jews into Kingdom"
3. First Princely College Graduate
4. Racial Discrimination
5. National Income Increases

GROUP 4
Downgraded at 5-year intervals
Declassified after 12 years

SECRET

FORM 4-62 DS-323

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In

Out

Drafted by:

RWMurphy/CEMarthinsen/MDraper:lf 7-2-63

Contents and Classification Approved by:

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DEPARTMENT OF STATE
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Page Two
A-6
Jidda

POLITICAL/ECONOMIC

2. Joint USAF-RSAF Exercise Imminent. Further logistic elements of USAF fighter aircraft unit scheduled for joint Saudi-USC Air Force training exercise arrived in Dhahran June 30. Fighter aircraft expected to arrive after resolution of outstanding issues. Full complement may be in place for exercise to commence this week. (CONFIDENTIAL)

Comments: Basically position of SAG in near future will probably be one of "wait and see": on Yemen relying on USC to pressure UAR to fulfill its undertaking to withdraw forces from Yemen under disengagement agreement. Stage now set for implementation of latter by presence observers who gradually being augmented. (SECRET)

DECLASSIFIED

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Page Three
A-6
Jidda

DECLASSIFIED

7. Faysal Gives OK to Roads Program. Crown Prince Faysal, who is now regularly chairing Supreme Planning Board (SPB) meetings, agreed that contracts might be negotiated with highway engineering consulting firms for design and supervision of construction of some 5,200 kilometers of primary roads. Consulting firms were given a July 13 deadline to submit proposals, but preparatory discussions with approximately ten firms have been largely concluded. SPB and Faysal also allotted SR 14.5 million (\$3.2 million) for the construction of agricultural secondary roads to feed into the main system. SPB advisors, Communications Ministry officials and Minister of Petroleum independently have volunteered to Embassy officers their gratification that major highway construction program now appears to be moving at last. (CONFIDENTIAL)

Comment: U.S. highways team which visited Kingdom early May apparently provided stimulus for Faysal's decision. Its major recommendation, incidentally, was immediate negotiations contracts with consulting firms. (CONFIDENTIAL)

8. Work to be Resumed on Wadi Jizan Project. Press reported UN consultants who had been carrying out necessary studies in Wadi Jizan preparatory to eventual construction of dam and major irrigation system will soon return to the site to conclude their work. UAR air raids in area earlier this year had forced them to flee and much of their equipment and facilities were damaged or lost as result. (UNCLASSIFIED)

9. Special Budget Allocation. Through promulgation of royal decree no. 4 dated June 29, the government decided to allocate an unanticipated increase of SR 160 million (\$36 million) in State revenues to such needs as strengthening the armed forces, coastal protection, radio broadcasting, a speed-up in educational program and various emergencies. (UNCLASSIFIED)

Comment: This increase in revenue was not wholly unanticipated. The government customarily underestimates its oil revenues when preparing the State budget. Aramco's production in particular this year has scaled even greater heights than company officials had been willing to predict. (CONFIDENTIAL)

MILITARY

Negative

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SECRET

PSYCHOLOGICAL

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1. U.S. Training Operation. Jidda dailies June 30 carried MODA statement re anticipated arrival in Kingdom of USAF units. Statement said "To promote, raise standard of training of Saudi Armed Forces, and it is mission of USMIF to reach that goal, USMIF unit will arrive to undertake joint exercises with RSAN as part general training program of Armed Forces of Kingdom of Saudi Arabia." As of July 2 no further press or radio comment on units themselves. (UNCLASSIFIED)

2. "Forbidding Entrance of Jews into Kingdom." Related to expected arrival USAF unit and current San'a and Cairo press and radio tirades against Saudis for permitting entry personnel some of whom may be of Jewish faith, local press seized upon Department spokesman's statement issued Washington June 29 as basis for denying "Jews" will enter Kingdom. Al-Bilad, July 2 headlined "Official American Spokesman Confirms Ban on Entrance of Jews into Kingdom," adding Saudi Arabia only Arab country which prohibits entry of Jews and asserting that Saudis' co-operation with America "does not mean any change" in Saudi policy towards Jews. Spokesman's statement alone appeared on front page, al-Nadwa, same day; "With reference to reports stating that SAC changed its policy vis-a-vis permitting issuance of visas to foreigners to enter Saudi Arabia, according to our information this is not the case. The SAC reserves its right as sovereign power to deny visas to applicants on the basis of its policy." (UNCLASSIFIED)

3. First Princely College Graduate. Local press filled its front page with extensive reports festivities honoring Muhammad al Faysal, son of Crown Prince, and first member of royal family to obtain college degree — he graduated from Menlo College with BA in Political Science and Public Administration. (UNCLASSIFIED)

4. Racial Discrimination. Saudi journalist resident in Cairo, 'Abd Allan 'Abd al Jahar wrote in July 7 al-Bilad first feature article to appear for some time past attacking segregation in world. Targets were South Africa and U.S. with emphasis on latter. Al Jahar scored nineteenth century Christian justification for slavery in new world, claimed constitutional freedoms do not extend to Negroes in U.S. (UNCLASSIFIED)

5. National Income Increases. Local press June 30 gave prominent play to reported SR 160 million increase in SAC income this year. (See Economic) UNCLASSIFIED

For the Ambassador:



Nicholas G. Thacher
Counselor of Embassy

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